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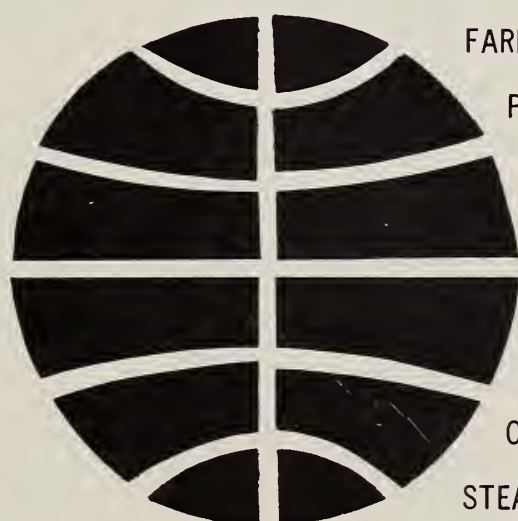
THE FARM INDEX

ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE

PLUS

- Farm Output on the Move
- Long Distance Trucking of Farm Products
- Food Stamps and Fruit

MARCH 1963



FARM

PRODUCTION

SHOULD BE UP FROM

1961/62 IN MOST OF THE

WORLD. UNDER MANAGEMENT

PROGRAMS U.S.

OUTPUT HOLDS

STEADY



CANADA + 33%

WESTERN EUROPE + 3%

SOVIET UNION + 1%

AFRICA + 7%

WEST ASIA + 4%

FAR EAST + 2%

OCEANIA + 4%

■ GLOBAL OUTLOOK 1962/63 = 3% MORE FOOD AND FIBER ■



— 1% LATIN AMERICA

— 3% EASTERN EUROPE

ECONOMIC TRENDS

Item	Unit or base period	'57-'59 Average	1962		1962-63		
			Year	January	November	December	January
Prices:							
Prices received by farmers	1910-14=100	242	243	242	245	242	244
Crops	1910-14=100	223	231	225	227	224	228
Livestock and products	1910-14=100	258	254	257	262	258	257
Prices paid, interest, taxes and wage rates	1910-14=100	292	306	304	307	309	311
Family living items	1910-14=100	286	294	293	295	296	297
Production items	1910-14=100	262	269	268	271	273	274
Parity ratio		83	80	80	80	78	78
Wholesale prices, all commodities	1957-59=100	.....	100.6	100.8	100.7	100.4	100.6
Commodities other than farm and food	1957-59=100	.....	100.8	101.0	100.7	100.7	100.7
Farm products	1957-59=100	.....	97.7	97.9	99.3	97.3	98.5
Food, processed	1957-59=100	.....	101.2	102.0	101.3	100.9	100.9
Consumer price index, all items	1957-59=100	.....	105.4	104.5	106.0	105.8	.....
Food	1957-59=100	.....	103.6	102.5	104.1	103.5	.....
Farm Food Market Basket:¹							
Retail cost	Dollars	.....	1,067	1,057	1,070	1,062	.....
Farm value	Dollars	.....	410	411	412	407	.....
Farm-retail spread	Dollars	.....	657	646	658	655	.....
Farmers' share of retail cost	Per cent	.....	38	39	39	38	.....
Farm Income:							
Volume of farm marketings	1947-49=100	123	137	146	186	147	151 ^a
Cash receipts from farm marketings	Mil. dollars	32,247	35,749	3,179	4,032	3,141	3,300 ^a
Crops	Mil. dollars	13,766	15,900	1,546	2,207	1,594	1,600 ^a
Livestock and products	Mil. dollars	18,481	19,849	1,633	1,825	1,547	1,700 ^a
Realized gross income ²	Bil. dollars	.....	40.6	.....	.....	41.4	.....
Farm production expenses ²	Bil. dollars	.....	27.7	.....	.....	27.9	.....
Realized net income ²	Bil. dollars	.....	12.9	.....	.....	13.5	.....
Agricultural Trade:							
Agricultural exports	Mil. dollars	4,105	5,031	379	450	462	.....
Agricultural imports	Mil. dollars	3,977	3,876	326	359	351	.....
Land Values:							
Average value per acre	1947-49=100	.....	.....	179 ⁴	187	.....	.....
Total value of farm real estate	Bil. dollars	.....	.....	134.8 ⁴	141.0	.....	.....
Gross National Product²							
Consumption ²	Bil. dollars	456.7	553.6	.....	.....	562.0	.....
Investment ²	Bil. dollars	297.3	356.7	.....	.....	363.5	.....
Government expenditures ²	Bil. dollars	65.1	76.2	.....	.....	75.0	.....
Net exports ²	Bil. dollars	92.4	117.6	.....	.....	121.0	.....
Income and Spending:							
Personal income	Bil. dollars	.....	440.5	428.8	448.2	450.4	452.4
Disposable income ²	Bil. dollars	321.3	382.7	.....	.....	389.3	.....
Total retail sales, seasonally adjusted	Mil. dollars	.....	19,280	18,835	20,189	20,172	20,049
Retail sales of food group, seasonally adjusted	Mil. dollars	.....	4,801	4,684	4,813	4,933	.....
Employment and Wages:							
Total civilian employment, seasonally adjusted	Millions	.....	67.8	67.3	67.8	68.0	68.2
Agricultural, seasonally adjusted	Millions	.....	5.2	5.5	5.0	4.8	5.2
Rate of unemployment, seasonally adjusted	Per cent	.....	5.6	5.8	5.8	5.6	5.8
Workweek in manufacturing, seasonally adjusted	Hours	.....	40.4	39.8	40.4	40.3	40.2
Hourly earnings in manufacturing	Dollars	.....	2.39	2.39	2.41	2.43	2.43
Industrial Production, seasonally adjusted	1957-59=100	.....	118	114	120	119	119
Manufacturers' Sales and Inventories:							
Total sales, seasonally adjusted	Mil. dollars	.....	33,490	32,040	33,860	33,630	.....
Total inventories	Mil. dollars	.....	57,130	55,730	57,190	57,490	.....
Total new orders	Mil. dollars	.....	33,220	32,940	33,760	32,920	.....

¹ Average annual quantities of farm food products based on purchases per wage-earner or clerical-worker family in 1952—estimated monthly.
² Annual rates seasonally adjusted fourth quarter. ³ Preliminary. ⁴ As of November 1.

Sources: U.S. Department of Agriculture (Farm Income Situation, Market-

ing and Transportation Situation, Agricultural Prices, Foreign Agricultural Economics and Farm Real Estate Market Developments); U.S. Department of Commerce (Industry Survey, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Department of Labor (The Labor Force and Wholesale Price Index).

THE AGRICULTURAL OUTLOOK

Demand for farm products is continuing high . . . And another increase in domestic use of farm products is in prospect this year—total was about 1.6 per cent larger in 1962 than in 1961.

Further increases in sales in retail grocery stores and restaurants in January indicate continued high levels of spending for food . . . total was around \$74 billion in 1962, up more than 4 per cent from 1961.

Exports of farm products slowed materially during January because of dock strike. Total exports in 1963 are expected near 1962 level. Value of farm product exports last year was \$5 billion, same as in 1961.

Carryover stocks of major farm products on January 1 were down around 5 per cent from year earlier . . . reductions in feed grains and wheat more than offset buildup in cotton, soybeans and dairy products. Increased domestic utilization and larger grain exports last year contributed to carryover reduction . . . crop output was up slightly from 1961.

Personal income rose \$2 billion, annual rate, in January from December rate of \$450 billion. Increase was due principally to larger transfer

payments . . . \$3.5 billion payment to holders of GI insurance more than offset a \$1 billion increase in personal Social Security taxes.

Retail sales, all items, in January and early February were off slightly from record in November and December. Auto sales . . . at record level during January and early February.

Industrial production in midwinter was about same, seasonally adjusted, as last summer. Early in February, steel output was increasing in response to high level of auto manufacture . . . and possibly some advance buying of steel.

Nonagricultural employment declined and unemployment rose more than seasonally in January . . . jobless rate was 5.8 per cent of labor force.

New orders received by manufacturers were off in December. Durable goods orders recovered somewhat in January, but remained below October-November levels. Housing starts declined in December and again in January.

COMMODITY HIGHLIGHTS

January 1, 1963, inventory of **livestock** on farms included record high 103.8 million head of cattle and calves . . . 30.2 million head of sheep and lambs. Number of stock sheep in sheep and lamb inventory was 26.1 million head, lowest year-beginning inventory on record. Number of dairy cows declined to 18.7 million head (50 states), fewest since 1907. Number of other cows rose to record 30 million head.

Beef cattle prices moved down in December and January—particularly sharp breaks in first and last weeks of January. By end of January, Choice steer prices at Chicago were down to year-earlier levels. Additional price declines for fed cattle are in prospect for spring quarter, with prices holding below year earlier through midyear.

Rate of **hog** slaughter declined seasonally from December to January but continued above year earlier. Since December, prices for slaughter barrows and gilts have declined gradually. In mid-February, prices for slaughter barrows and gilts were down to \$15.50 at Midwest markets . . . about \$1.40 under year earlier. Hog prices probably will ease down further to seasonal low in May . . . below May 1962 . . . and could be lowest in 1963.

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EDITOR, Theodore Crane; ASSISTANT EDITOR, Story Easterling; STAFF EDITORS, William T. Schanger and Marilyn S. Harrison; PRODUCTION EDITOR, Lilla Dunovant McCutchen.

Sheep and lamb slaughter in January averaged about 5 per cent under January 1962. Supplies of slaughter lambs are expected to be down seasonally in second quarter, with prices tending to improve.

The number of milk cows and heifers 2 years old and older (18.7 million) on January 1 was 2.3 per cent fewer than 19.2 million a year earlier. This decline was more than twice rate of decline in two previous years. Price relationships and feed conditions indicate further reductions.

January milk production was 10,043 million pounds, 0.7 per cent below January 1962. Prices farmers received for all wholesale milk in January were \$4.20, 19 cents below year earlier . . . prices of manufacturing-grade milk, adjusted for milkfat content, were \$3.21, slightly higher than support.

Butter and American cheese production gaining seasonally . . . but in January down 8 per cent and 3 per cent, respectively, from year earlier. In December-January, milk equivalent of CCC butter and cheese purchases (delivery basis) were 56 per cent of year earlier. Nonfat dry milk deliveries were 89 per cent of year earlier.

Egg production is expected to continue close to year earlier in the next 2 to 3 months.

Broiler production is being cut. Supplies will drop to year-ago level in March and April.

In January, producers intended to raise 3 per cent more turkeys in 1963 than in 1962—about 95 million birds.

Total **feed grain** supply for 1962-63 is estimated at 215 million tons, 11 million below 1961-62. Carryover into 1963-64 is now expected to total around 61 million tons, 15 per cent below year earlier. Domestic disappearance of feed grains in October-December was a little above 1956-60 average for that quarter . . . but about 7 per cent below record high for fourth quarter in 1961. Exports in October-December were above 1961-62 level, probably will fall somewhat short of last year's record during remainder of year. Stocks on hand January 1 in all positions totaled about 167 million tons, 8 million less than year earlier . . . nearly all of reduction in corn.

Wheat exports in 1962-63 are currently estimated at 570 million bushels, substantially below 718 million export in 1961-62. As result, more wheat under price support loan. Prices of most wheats are near or above effective support.

U. S. exports of food **fats and oils** in current marketing year (ending next September 30) may set new record of around 4.8 billion pounds (including oil equivalent of soybeans) compared with 4.1 billion during 1961-62 marketing year. More soybean oil, soybeans and butter . . . about same volume or slightly more cottonseed oil . . . less lard expected to move abroad during current marketing year than last.

Supply of **cotton** for 1962-63 crop year is around 22.8 million bales, largest since 1959-60. Supply includes 1962 crop of 14.7 million running bales—most since 1953.

Disappearance during 1962-63 crop year is estimated around 12.8 million bales, about 1.1 million below year earlier and least since 1958-59. Decline in disappearance would result from drop in both mill consumption and exports.

Based on these estimates of supply and disappearance, carryover of all kinds of cotton next August 1 will total 10 million bales—about 2.1 million more than year earlier and largest since 1957.

World **wool** prices probably reached 1962-63 marketing season high in early February, when they were at four-year peak. Continuing short supply of commercial stocks in both major producing and consuming countries, lower world production and relatively stable total mill use of wool contributed to recent price strength. Current high wool prices, however, tend to encourage substitution or blending of other fibers. With world production of noncellulosic manmade fibers increasing, there is likely to be increased price competition and promotion of manmade fibers. This likely will cause wool prices to ease down moderately during remainder of 1962-63 marketing season.

Supplies of fresh **citrus fruits**, especially oranges, will continue to be curtailed during late winter and spring because of freezes. Supplies of canned and frozen citrus **juices** are large, partly because of much salvage of fruit after freezes . . . but supplies later in year are expected to fall below year-earlier volume due to sharply reduced citrus harvest in prospect this spring, particularly Florida Valencia oranges. Prices for both fresh and processed citrus continue higher than year ago.

Supplies of fresh strawberries should become seasonally large in late March as berries from early spring states become available. Stocks of fresh apples, pears and canned deciduous fruits during next few months probably will continue a little larger than year earlier.



FROM COAST TO COAST:

Agriculture is a restless business, with crops leading the parade. A recent check on the location of farm production for 1946-50 and 1956-60 indicated the Far West had recorded a gain of 6 per cent in its share of cotton production. Oil crops—soybeans, peanuts and flaxseed—scattered from the Southeast to the Corn Belt and Delta states. In turn, southeastern farmers increased their share of poultry production from 5 to 13 per cent while Midwesterners lost ground. Generally, the changes indicate more specialization and higher yields in agricultural production on farms in every region of the country.

FARM OUTPUT ON THE MOVE

Increasing specialization has caused some types of production to change location

Everything about farming is changing and today even types of production pick up and move to other parts of the country. Whether it's crops or livestock, these changes indicate increasing specialization in farming. The most noticeable shifts were in geographic location of crop production, according to a recent check on the 10 major agricultural regions between 1946-50 and 1956-60.

Although the location of crops generally changed more than livestock, poultry production shifted more than any other commodity. These days, chickens may well have a southern rather than a midwestern accent. The rapid expansion of broiler production in the Southeast has given this area the leading share of poultry production. Within the past 10 years, the Southeast's contribution to the total poultry output went from 5 to 13 per cent. The gain in this region was largely at the expense of the Corn Belt, whose share of the total dropped nearly

6 per cent from 1946-50 to 1956-60, when it was 22.1 per cent of total poultry production.

After poultry was subtracted the balance of livestock production pretty much stayed put. The Corn Belt and the Northern Plains continued to be the major regions for feeding meat animals.

The picture was about the same for dairy—little change since World War II.

Cotton and oil crops moved just about as far as poultry. Cotton headed west, mostly to the Pacific region which recorded a gain of 6 per cent in its share of production over the decade. The cotton farms of California, Arizona and Texas have a definite advantage partly because of high yields.

Oil crops took even larger strides than cotton. Soybeans, peanuts and flaxseed are included in this group but soybeans led the parade. While production of peanuts declined in the Southeast, production of soybeans gained in the Corn Belt and the Delta states.

Fiscal '63 Supplies of Feed Grains Estimated at 5% Under '62 Level

Feed grain supplies aren't quite as generous this year as last. Current estimates for 1962-63 are 215 million tons—5 per cent less than the 1961-62 total.

The feed grain crop last season was 143 million tons, slightly larger than in 1961. However, the carryover into 1962-63 of 72 million tons was smaller and resulted in the reduced total supply.

When prospects for all domestic uses and exports are combined, total disappearance of feed grains should be about equal to the 154 million tons of 1961-62. This would reduce the carryover into 1963-64 to around 61 million tons—11 million tons less than at the start of the 1962-63 marketing year.

While estimates of feed grain supplies are down for the current marketing year, the number of animals to be fed is up. Livestock numbers, in terms of grain-consuming animal units for 1962-63, are estimated at 174 million, 3 per cent more than a year earlier. If the rate of feeding per animal unit continues as high as it has been, the quantity of all feed grains fed in 1962-63 will be slightly above 1961-62.

Use of feed grains for seed, human food and industrial purposes during 1962-63 probably will remain near the 13.3 million tons consumed during the last marketing year.

Exports of feed grains may be a little lower this year—they were a record 17 million tons in 1961-62.

Total corn supply this marketing year is estimated at 5,285 million bushels, 6 per cent smaller than the 1961-62 figure.

1962-63 supplies of sorghums are down 12 million bushels from the 1,182 million for the previous marketing year.

Oats on hand for 1962-63 are placed at 1,314 million bushels, about 2 per cent less than last year.

Use of Sweetpotatoes Declines During Past Quarter-Century; As Result, Most Production Regions Cut Acreage and Output

Acreage of sweetpotatoes dropped about three-fourths in a 25-year period—from 860,000 acres in 1934-37 to 226,000 in 1958-61. Despite increases in production per acre of 60 per cent, total output declined by more than half during the quarter-century.

Sweetpotatoes have become less and less familiar in American meals over the years. Back in 1935-39, we ate an average of over 21 pounds of sweetpotatoes per person each year. Last year's figure was under 6 pounds. This decline is part of the general shift Americans have made away from starchy, high-calorie foods including potatoes.

Sweetpotato producers have had problems with the perishability of their product and with disease. Furthermore, their production costs are high because mechanization of sweetpotato production has been slow and much hand labor is still needed.

Industry changes have also meant production shifts among regions and individual states. Regional changes saw the big three production areas—the Central, South Atlantic and Central Atlantic states—all lose some of their output, while the West, a minor area, gained.

The leading production region, the Central states, dropped from 54 to 47 per cent of total production over the 25-year period. Acreage of sweetpotatoes in Louisiana, leading state in this area, was cut nearly half. The South Atlantic states' production share went from 32 to 24 per cent of the national total. In the No. 1 state in the South Atlantic

group, North Carolina, output is now half the average of 1934-37.

The Central Atlantic region gained from 12 to 23 per cent of U.S. total production but lost heavily in actual production. Virginia, still the production leader in this area, cut both acreage and output sharply.

The West, and particularly California, gained both in total production and its share of national output since 1934-37. The West's share of national production went from 2 to 6 per cent.

However, prospects for the industry are for the declines in production and consumption to level off within the next 10 years. Processing has entered the picture for sweetpotatoes and new products such as sweetpotato flakes probably will help to provide more competition for consumer food dollars.

RECREATION IS PROFITABLE BUSINESS ON EASTERN FARMS

Farmers are finding that hunting, fishing and golfing can be profitable crops—more profitable, sometimes, than more traditional ones.

IN MAINE, a crop and poultry farmer, whose farm was located between two industrial towns, laid out a nine-hole golf course on former cropland. He used the equipment he had to construct the course, and kept his old irrigation system to water the green. Today, he still has his poultry business for direct farm income, and is well satisfied with the extra income from golfers.

IN NEW YORK, an Ithaca area farm family runs a profitable vacation campground business on retired farmland. Over the years, they've added fireplaces, picnic tables, running water and rest rooms, as well as tent platforms. A former stock pond turned swimming hole and a new gym field form the center of camp life. The 17-year-old son acts as camp director; a daughter runs the *Pantry*

—a small store-in-a-barn—which supplies campers' food needs; and a seven-year-old son functions as camp mascot.

IN VIRGINIA, many Bath County farmers now board hunters and permit seasonal hunting on their properties. Successful? Some 9,000 hunters were accommodated profitably in the 1961 season.

IN PENNSYLVANIA, one former dairy farmer has built recreation into a big-time enterprise. He started with a modest dairy bar and went on to a bowling alley and a nine-hole golf course, all in five years. Six to eight hundred golfers use his course weekly. Having sold off his relatively unprofitable dairy herd, he went ahead and converted a milking shed into a restaurant, and added a dance parlor. His future plans call for a ski slope plus lift, a tourist camp, and possibly riding and swimming. Another nine-hole golf course is in progress.

Measuring Recreation

With more farmers turning their land into recreation sites, how to measure the economic value of recreation becomes increasingly important. Complicated, too.

Some authorities measure recreation resources by tangible benefits only—investment and return, nearness to population centers, frequency of use, or by such questions as will a golf course bring greater returns than a picnic grove? Others insist economic measurements should not overshadow esthetic and subjective values, such as scenic beauty, or the need for rest and solitude.

Whatever the approach, successful planning for recreation resources probably depends on a mixture of both these scales of value.

Specialists Look for Cheapest Methods to Improve Hay Yields And for Highest Net Returns From Colorado Cattle Ranches

The most hay and pasture at the least cost—that's what cattle ranchers are looking for. And, using the mountain meadows in Colorado as a laboratory, farm specialists have set out to determine which improvement practices are the cheapest.

Results showed that ranchers got more hay for less money when they rough-leveled their meadows and reseeded legumes, then followed up with phosphate fertilizer. The estimated cost came to \$13.55 per ton of forage.

The researchers also calculated costs for four other ways to increase the yield of hay. They ranked like this: \$14.30 per ton of hay to rough-level, reseed and

add nitrogen fertilizer; \$15.52 for nitrogen fertilizer alone; \$15.60 for rough-leveling and reseed; and \$15.90 for phosphate fertilizer and reseed of legumes. With none of these improvements, the cost of a ton of hay was \$16.26.

With the figures on higher yields from meadows, the economists calculated returns ranchers could get for their labor and management from the additional feed. The typical ranch was assumed to have 2,000 acres including 200 acres of irrigated meadow. On the average, about \$44,250 is invested in land and improvements and \$6,100 in machinery.

The calculations were all based

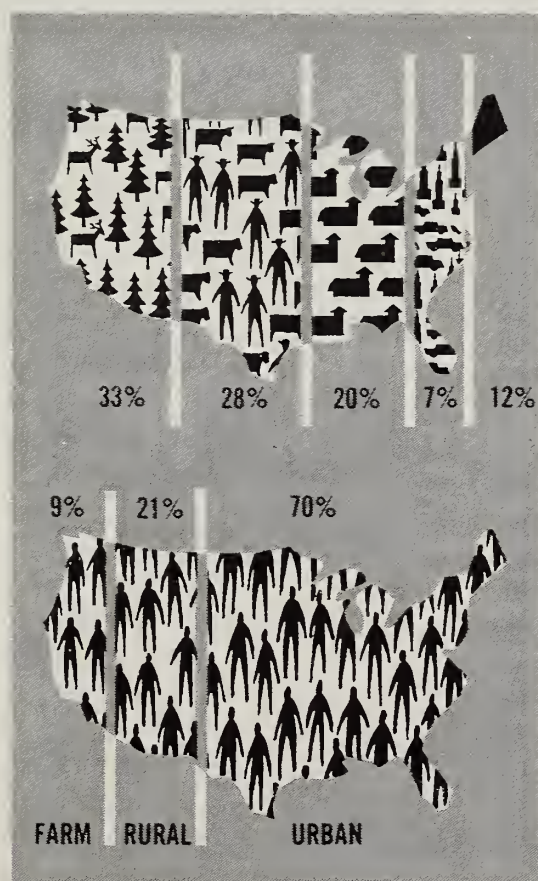
on the cost figures for rough-leveling and reseed with nitrogen fertilizer. The yield per acre was higher than it was for the phosphate fertilizer combination. Added forage allowed for more cattle on the range.

Two of the possible cattle operations included using a grazing permit for 150 head on federal rangelands; three systems did not.

The highest returns to the rancher—\$4,600 a year—came from buying calves in the fall, grazing them without the use of federal range and selling at the end of the following summer. If the calves were bought in the spring, sold in the fall of the same year and no federal range was used, returns would be \$3,760 for the year.

A cow-yearling system using a federal grazing permit for additional land brought in \$3,120. The same operation without the extra grazing brought in \$1,775.

The lowest returns, \$1,735 annually, came from a cow-calf operation with the use of federal rangeland.



WHO USES THE LAND?

Farmers and ranchers mostly. Less than 9 per cent of the population lived on farms in 1960 and another 21 per cent lived in the country. Seventy per cent of the population was urban. But the fields and pasture and range used for agriculture took 48 per cent of the total land area in the nation. Cities and towns, highways, parks, airports and the like took only 7 per cent. However, farmer and city-dweller alike profited from the recreation and beauty provided by the one-third of U.S. land in forest and woodland. The remaining 12 per cent of the land was in beaches, swamps and deserts.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 1754-63 (1)

Farming in Far North

Alaskan farmers continued to struggle with the problems of high production costs and a short growing season last year. Better transportation, oddly enough, also added to their troubles. Improved transportation makes it easier for Alaskans to import more of their food from outside the state, and import it at prices competitive with local farm products. Dairying is the most important enterprise on the fewer than 400 farms in the 49th state. Dairy farmers generally were weaker financially in 1962, compared to a year earlier. Lower incomes forced many of them to draw on savings and increase their debts. Spending for family and household items was cut while improvements in building and equipment were frequently postponed.

• • • • • It's a Family Affair

Who owns the land? Mostly families. At least they do in Tennessee.

Individuals, partnerships, and estates hold title to 91 per cent of the rural land in Tennessee, according to a 1960 survey, with married couples owning more than two-thirds of it. Corporations own another 5 per cent of the rural land, and government agencies own most of the rest.

Most of the 250,000 owners of rural land in Tennessee live in the state and close to their land, if not on it. Only 16 per cent of the landowners are city folks, and only 5 per cent live beyond the state borders.

Ability Tied to College Attendance? ERS and Census Search for Links

Johnny may be a bright boy, but it's no guarantee that he will be at the top of his high school class. Nor, for that matter, does his high IQ offer any sure sign that he will go on to college.

A recent nationwide survey conducted jointly by the Economic Research Service and the Bureau of the Census has come up with some figures to measure the connection between IQ and school grades for both farm and non-farm youth.

Using IQ and scholastic standing as separate measures of ability, the researchers found that although both are good indicators of a student's potential for college, individuals often didn't rank the same on both.

For example, in 1960 only 57 per cent of the students with the highest IQs were also at the top of their graduating class. Obviously, some highly intelligent students weren't working as hard as they could. And some young people of less ability were using their talents very well.

As for further education, about two-thirds of the high school graduates in the upper fourth IQ

rank went on to college. A little over a third of the second quartile enrolled and about one-fourth of the third rank. About 15 per cent of the lowest quartile continued their education.

To put it the other way around—about one-third of the most able youth aren't getting a higher education.

In addition to student ability, occupations and income at home have a lot to do with whether they go to college. About 77 per cent of the 1960 high school graduates who were from white-collar homes and who were in the upper half of their class enrolled in college. When the students had equal ability, but came from blue-collar or farm homes, the percentage who went to college dropped to 42 per cent.

Altogether, the factors studied only partly predicted the likelihood of farm and nonfarm youth going on to college. It was not feasible to obtain information on other important factors related to college attendance.

Some of these factors are parental attitudes toward education in general and their hopes for their children's future. Also important is the stress put on schoolwork and a college career by the student's friends.

• • • • • Last Summer's Loans

At \$284 million, the dollar volume of farm-mortgage loans made by the federal land banks, Farmers Home Administration and 20 life insurance companies moved up another 8 per cent in third-quarter 1962 from the same period in 1961.

Total farm-mortgage debt owed to the three lenders at the end of September 1962 was \$6,774 million, 9 per cent higher than a year earlier.

Other reports for third-quarter 1962: The average size of loans made rose quite a bit and number of loans changed little.

Effects of Wheat Program for 1964 Are Projected in Economic Report

Here's a rundown on the 1964 Wheat Program.

Two-thirds of the wheat growers must approve the program late this spring if the "yes" provisions are to take effect next year.

Acreage allotments, regardless of vote, will be between 49 and 50 million acres.

Marketing allocations: "Yes" vote—about 80 per cent of normal production from allotted acres. National marketing allocation includes the amount of wheat used domestically for food and most wheat exported.

No marketing allocation with "no" vote.

Price support per bushel: "Yes" vote—national average of \$2 on 80 per cent of normal production on acreage allotment and \$1.30 on remaining production.

"No" vote—about \$1.20 to farmers complying with allotments and no support for those who don't.

Voluntary diversion of land: "Yes" vote—up to 20 per cent of 1964 allotment can be diverted to conservation crops or fallowed.

"No" vote—no diversion of land.

Diversion payments: "Yes" vote—growers will receive 30 per cent of price support level for normal yield on their 10 per cent mandatory diversion acreage. Additional acreage that is voluntarily diverted will receive payments at 50 per cent of the support rate.

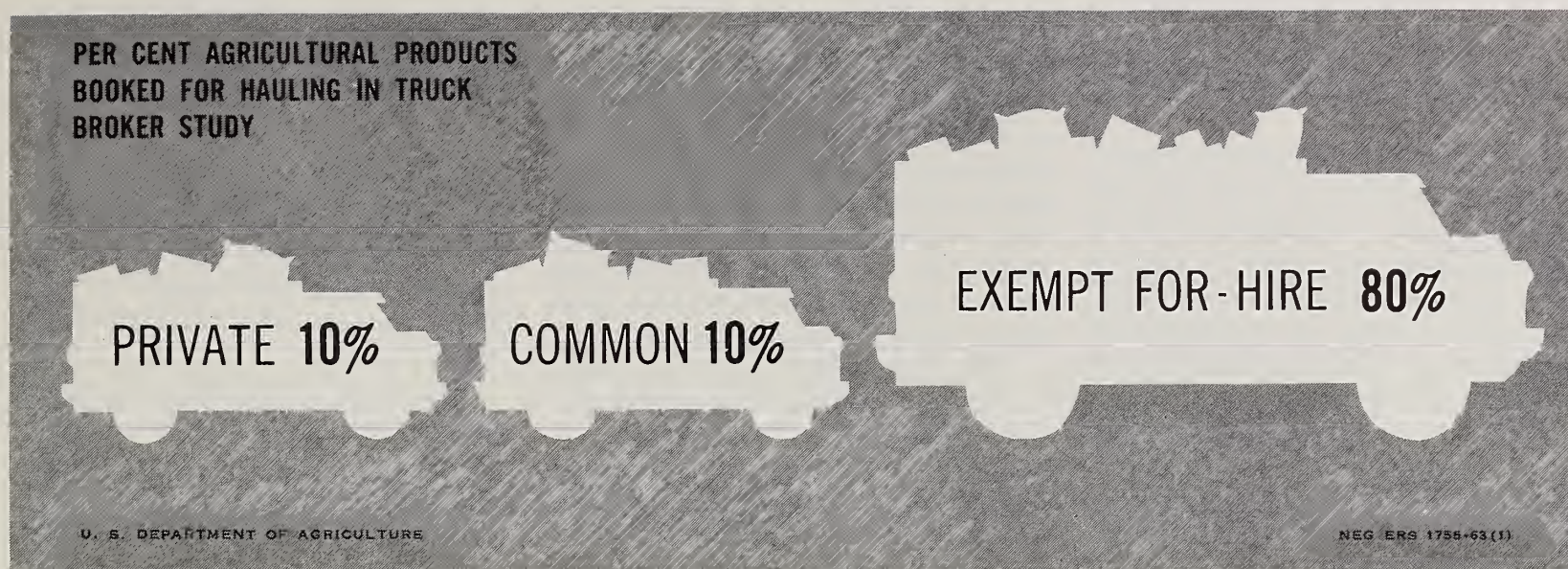
"No" vote—no payments.

Penalty for overplanting: "Yes" vote—65 per cent of parity price, roughly \$1.55 per bushel, on excess production, which is twice the normal yield on excess acres, unless grower can prove actual production on excess acres. Also, the farmer will not be eligible for price support or land diversion payments.

"No" vote—no price support.

Farm marketing quotas: "Yes" vote—production on allotted acres.

"No" vote—no quotas.



LONG DISTANCE TRUCKING OF FARM PRODUCTS

Whether they ship from farm to local market, or from coast to coast, growers and processors of many farm products can use for-hire trucks whose rates and routes are not controlled by the Interstate Commerce Commission. This can mean lower shippers' costs, faster service.

A recent ERS survey of truck brokers who book loads of exempt farm commodities shows that about four-fifths of their long-distance shipments are made by exempt for-hire trucks, only about one-tenth by ICC regulated carriers, and the other tenth by private carriers.

In another study, ERS queried exempt truckers nationally by mail. In addition, ERS ran a pilot study by personal interview on the cost structure of 25 firms on the eastern seaboard.

The three studies support these conclusions:

—Exempt truck rates are lower than those of regulated carriers for about the same kind of service.

—Exempt truckers are able to charge lower rates because of lower overhead costs.

—Although exempt truck rates tend to be relatively stable, they do vary somewhat in response to

the supply and demand for trucks and service.

The agricultural exemption dates from 1935, when commercial interstate trucking firms were brought under ICC control. Farmers, and shippers of farm commodities, requested the exemption in order to assure adequate trucking service to the nearest markets, at reasonable rates, especially in peak seasons.

Over the years the courts have interpreted the provisions of the exemption broadly, holding that commodities which maintain their identity such as cleaned and packaged carrots or dressed poultry are covered by the exemption provisions when moved by trucks in interstate commerce. Assemblers for instance, can ship certain exempt products across the nation to wholesalers who in turn can send them on to retail outlets.

ICC-regulated truck lines are also free to haul these farm products, without getting prior Commission rate and route approval, as long as exempt and nonexempt commodities don't ride together. The big advantage here is that regulated trucks can pick up backhaul loads when and where they can in order to cover over-the-road costs.

Some processors reported in 1960 that transportation costs of such items as frozen fruits and vegetables did not go up when they were regulated in 1958. But regulated carriers often added special charges for pickup and delivery and tended to limit the number of stops they would make.

Most of the more than 1,500 exempt trucking firms responding to the mail survey were small. Average tonnage carried in 1960 was 6,062. Assuming firms averaged 2.5 rigs, each truck carried about 50 tons a week with enough backhaul cargo to make up 70 per cent of total loaded mileage.

Of the firms studied 3 per cent logged more than 1,000,000 miles per firm during the year; 28 per cent reported less than 100,000 miles traveled.

These operations reflect in part the difficulty of getting exempt commodities for the backhaul, without resorting to trip leasing.

The pilot study of 25 eastern seaboard trucking firms operating under the exemption shows their *total* costs well below the *line-haul* costs of regulated carriers. This may be due in part to the owner-driver nature of the business, and perhaps to some lower overhead costs.

Survey of Farm Group Promotions Points to Need for Broader Planning

Farm commodity groups spend over \$70 million a year on advertising and promotion. Few of the organizations seem to have a very precise idea of what their promotion dollar is supposed to buy, or how they should go about spending their money.

That, at least, is the indication of a recent study of promotion programs of agricultural groups. The study included 35 producer-promotion organizations, 19 marketing cooperatives, and 16 commercial food processors and distributors. Some 35 advertising and public relations agencies were also mentioned in the survey.

The agricultural groups appeared to be working toward general, rather than specific targets. The generalized aims would seem to be of little help in planning.

Only about a fourth to a third of any of the promotion groups studied relied on marketing research, and even fewer applied the research to their own plans.

Not surprisingly, there were fewer producers than marketing cooperatives or food firms involved in consumer advertising. Even so, about two-thirds of producers sponsored some consumer advertising. Media advertising slanted toward the consumer was generally less consistent and less extensive when sponsored by producer groups than it was for the marketing cooperatives or food companies.

In addition to media advertising, the three food groups used in-store displays, contests, and participation in fairs and conventions to promote their products.

The producers, marketing groups, and food companies all put fairly heavy emphasis on trade paper advertising, especially the papers aimed at food distributors. In addition, about two-fifths of the producer groups and from one-fifth to a fourth of

the cooperatives and food firms focused some of their advertising on the mass feeding market.

None of the producers tried cooperative advertising to get more mileage out of their promotion dollars, though more than half the marketing groups and about three-fourths of the food firms ran cooperative ads.

When it came to running the promotion program, control was largely the job of the chief executive officer in both the producer groups and the marketing cooperatives. Food firms more often than not turned the job over to the man in charge of sales, advertising or marketing.

USDA Research Suggests Guidelines To Aid in Plans for Agricultural Ads

Some points to consider in setting up a promotion scheme:

—The role of promotion, and how far it can go in creating demand. Just one part of the marketing operation, a campaign has to be tied in with distribution and pricing.

—The product itself. There has to be a basic and as yet unsatisfied need for the product.

—Objectives. They should be specific and attainable within the limits of money, manpower and reasonable time limits.

—Plans. How to reach specific audiences should be spelled out.

—Staff and organization. There must be enough people to set up the program and a staff to check on progress.

—Criteria to choose an agency. Among other things, the advertiser should know the training and experience of the agency, record of performance, financial status and available facilities.

—Research. Farm groups sometimes forget the amount of marketing information available from the federal and state departments of agriculture, state colleges and trade associations, among others.

Revised Federal Grading Standards Put More Lamb in Top Brackets

USDA grading stamps are being used more often on lamb.

In 1959 about one-third of all lambs slaughtered were federally graded; this was upped to two-fifths under new standards in 1960.

The changes in federal grading standards for lamb have made more lamb eligible for the higher brackets.

Prime carcasses moved up from 1 per cent to 16 per cent of animals federally graded. The proportion graded "Choice" remained about the same. The drop came in the "Good" grade.

Lower conformation requirements under the new standards mean that western lambs are more readily graded "U.S. Choice." Before, standards emphasized characteristics more easily met by native lambs from the Midwest and Southwest.

A recent ERS study shows that federal grading, a service offered the lamb industry on request and paid for by those who use it, helps the industry as a whole.

Many consumers accept USDA's mark on retail cuts as a reliable mark of quality.

Grading is also a guide to wholesalers and retailers in buying and selling large quantities of lamb without having to inspect each carcass.

At the wholesale level too, smaller independent packers can compete more easily with the big houses when they handle U.S. graded lamb rather than ungraded meat.

Finally, U.S. grades are a guide to growers in judging the quality of lamb customers want.

Lamb is eaten mostly in the Northeast and Pacific Coast states. On the coast, most lamb is sold federally graded. In the Northeast only one-fourth is USDA graded, another fourth is packer branded and the rest is unrolled.

Prices Indicate Marketing Patterns For Standard Delicious Apple Sales

In 1956-57, the retail price of Washington Standard Delicious apples was \$9.59 for a 42 pound carton in Chicago. This was the highest price of five seasons, 1956-57 through 1960-61. The auction price was also highest in 1956-57.

These prices occurred in a season of relatively short apple supplies. The Washington Delicious crop was 38 per cent below the average for the 10 previous years. The total U.S. apple crop was 5 per cent below the 10-year average.

The lowest prices in Chicago were in 1957-58. Retail price was \$7.71 and auction price was \$3.57.

The Washington Delicious crop for that season was 28 per cent above the 10-year average and the U.S. crop was 10 per cent above average.

The New York City market auction prices were highest in the low supply year and lowest in the high supply year. However, retail prices in the bumper crop season were only second highest of the five-year span. When supplies were shortest, retail prices were again only the second highest of the study period.

Marketing charges claimed nearly four-fifths of the retail price over the five seasons. For apples sold in Chicago, marketing charges ranged from \$6.31 to \$7.06 per carton. As a percentage of the retail price, the range was from 65 to 90 per cent. In New York City the marketing charges ranged from \$6.03 to \$7.30 per box, or 65 to 87 per cent of retail.

More than half of the total marketing charge went for retailing and wholesaling, not including the auction margin. The wholesale-retail margin was from 37 to 54 per cent of the retail price in Chicago. In New York City the range was from 34 to 48 per cent.

The remaining marketing charges—terminal, transportation and shipping point charges—stayed about the same over the five seasons. Packing-house charges were the biggest of the group. They ranged from 14 to 18 per cent of the retail dollar. Higher terminal charges in both markets amounted to about 2 per cent of the retail price and storage charges were a shade more.

Remaining for the grower, for apples sold in Chicago, was from 77 cents per carton or 10 per cent of retail, to \$3.28 or 35 per cent of retail. For apples sold in New York City, the grower received from 13 to 35 per cent.

Instant Cattle Auctions by Teletype Now Set for California Farm Group

There will be a push-button cattle auction in California this month. The California Farm Bureau's Marketing Association in Visalia is linking their headquarters with ranchers and feeders by private line autowriters; with packers by special teletype.

This arrangement follows the lead of the Ontario (Canada) Hog Producers' Cooperative. The new program, Integrated Data Auctions, or IDA, will supplement the direct sales program of the California group but will not eliminate small-lot cattle auctions.

This is how IDA will work:

Ranchers and feeders, ready to sell their cattle, will "autowrite" their names and locations as well as the grade, weight and potential yield of the cattle. The association will teletype the data to the widely separated buyers who can bid for cattle still on the range.

The buyers will receive flashes of successively lower prices until one buyer presses a cut-off button on his teletype which will stop all other bids and record his name and bid in Visalia. The sale is quick and private with only the buyer, seller and the association aware of the purchaser's identity.

Bakers in Three City Sampling Applaud Dehydrofrozen Apples

Dehydrofrozen apple slices, telescoped to half the usual size and weight of conventionally frozen apples, can help take the pressure off the generally restricted freezer space available in most bakeries. This is one of the highlights of a recent study of the new apple product.

Compared with regularly frozen apple slices, the dehydrofrozen product needs about 50 per cent less freezer space. It is an important economy. The median amount of space available in small and medium size bakeries was only 135 cubic feet. Some of the bakeries surveyed had as little as 10 cubic feet.

In a second phase of the 1961 study, a subsample of 88 bakeries in Baltimore, Philadelphia and Washington, D.C., were furnished a week's supply of dehydrofrozen apple slices to use in their baking.

About 9 out of 10 of the bakers thought there were specific advantages to the dehydrofrozen apple slices. Convenience and quality were the most often cited.

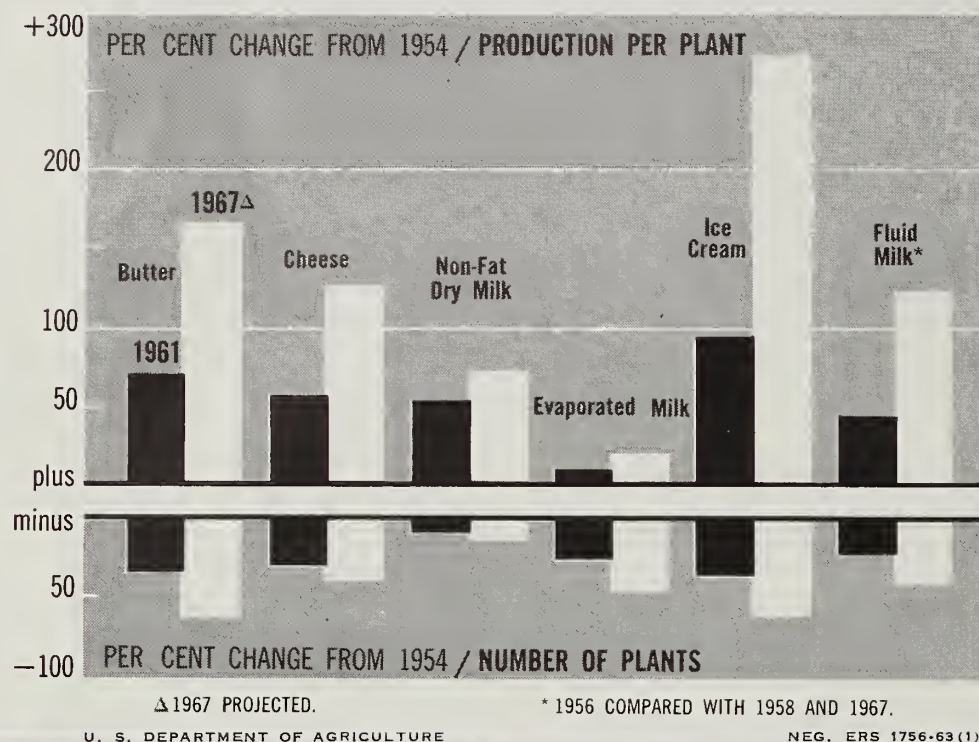
On the other hand, bakers who had trouble with the test product most often listed the required reconstituting process as the product's major drawback.

By and large the bakers were favorably impressed with the fact that the packages could be disposed of easily.

The 15-pound size of the package in itself was an advantage in the eyes of most of the bakers. Reconstituted, the 15 pounds of dehydrated apples came to 30 pounds of ready-to-use slices, a quantity most bakers are accustomed to working with.

The reduction in weight and volume of the dehydrofrozen slices also can result in substantial savings in freezing, packaging, transportation, storage and other handling or distribution costs along the way.

VOLUME UP; NUMBERS DOWN: Dairy plants will continue to show the downward trend in numbers through 1967 that has been going on for the past several years. The largest percentage decrease should be in manufacturing butter and ice cream. The increase in production should be greatest for these firms, too.



DAIRY TREND IS TO FEWER PROCESSORS BUT LARGER ONES

If current trends continue without change through the mid-1960s, dairy processors, like the rest of the dairy industry, will be fewer in number, with greater volume per plant.

The number of firms churning butter for example, dropped from 2,477 firms in 1954 to 1,516 in 1961, a decrease of 39 per cent. By 1967, the number should be down another 30 per cent. Between 1954 and 1961 annual butter production per plant increased 53 per cent to 979,000 pounds.

The projections for 1967 rest on three assumptions: That close to present levels of price support will operate through 1967; the growth of the entire economy will continue at present rates; and technology in the dairy industry will continue to advance at roughly the same pace.

While farmers have increased

their milk marketings some 27 per cent over the past 15 years, the number of dairy processors has dropped sharply.

In 1958, the Census of Manufacturers reported a total of 5,817 fluid milk plants in operation, a drop of 13 per cent from 1954. The value of shipments per plant increased 32 per cent over the same period.

If the number of dairy plants continues to decrease at the same rate, there should be 30 per cent fewer plants making butter and 22 per cent fewer fluid milk plants in 1967. Volume per plant would climb proportionately.

The same thing is happening in other parts of the dairy industry.

Cottage cheese and ice cream used to be produced along with fluid milk. Now, increasingly, they are made by larger, specialized firms.

Popularity of Cigarettes in the U.S. Helps Boost Output to New High

Americans at home or overseas in the armed forces lighted an estimated 508 billion cigarettes last year, around 6 billion more than in 1961.

Over four-fifths of the tobacco Americans used per person during 1962 was in cigarettes. The rest was purchased as cigars, chewing tobacco, pipe tobacco and snuff.

In response to the demand, manufacturers' output of cigarettes during 1962 reached a new high of 535 billion, an increase of 7 billion from the previous year.

But while consumption and output of cigarettes have been climbing, the total amount of tobacco used in this form hasn't gone up nearly so fast. Despite a 27 per cent increase in output of cigarettes from 1950-52 to 1961, tobacco used went up only 9.5 per cent.

And, on the basis of leaf requirement per 1,000 cigarettes, the amount of tobacco used has been declining. In 1962, the leaf requirement per 1,000 cigarettes was about 2.3 pounds (unstemmed processed weight). This is 15 per cent less than the 2.7 pounds for 1950-52.

Manufacturers are getting more usable tobacco out of the total leaves processed. New methods of processing have been developed that make it possible to use more of the stems and small particles. And, as filter-tips became popular, the amount of tobacco in each cigarette dropped because many of the new brands use a shorter column of tobacco. Also, a few years ago some manufacturers reduced the circumference of their regular cigarettes slightly.

Domestic tobacco has been getting some competition from foreign leaf too. The aromatic oriental varieties have smaller leaves and midribs than American types.

U.S. Farm Exports in Calendar 1962 Repeat 1961's Record Performance

For U.S. farm exports, calendar year 1962 was virtually a carbon copy of 1961.

Sales for dollars were the same—\$3.4 billion. Food aid shipments were the same—\$1.6 billion. Total—again \$5 billion.

However, there were major shifts among commodities. Exports of wheat and flour were down 130 million bushels from 1961, chiefly because Western Europe produced more wheat, bought less from us.

Cotton exports also dropped sharply, by 2.6 million bales, as larger supplies in other producing countries stepped up competition in world markets.

On the plus side, feed grain exports climbed by 6.1 million tons, primarily to supply the growing livestock industry in the European Common Market.

This quantity is the equivalent of nearly one-third of all U.S. farm sales of feed grains.

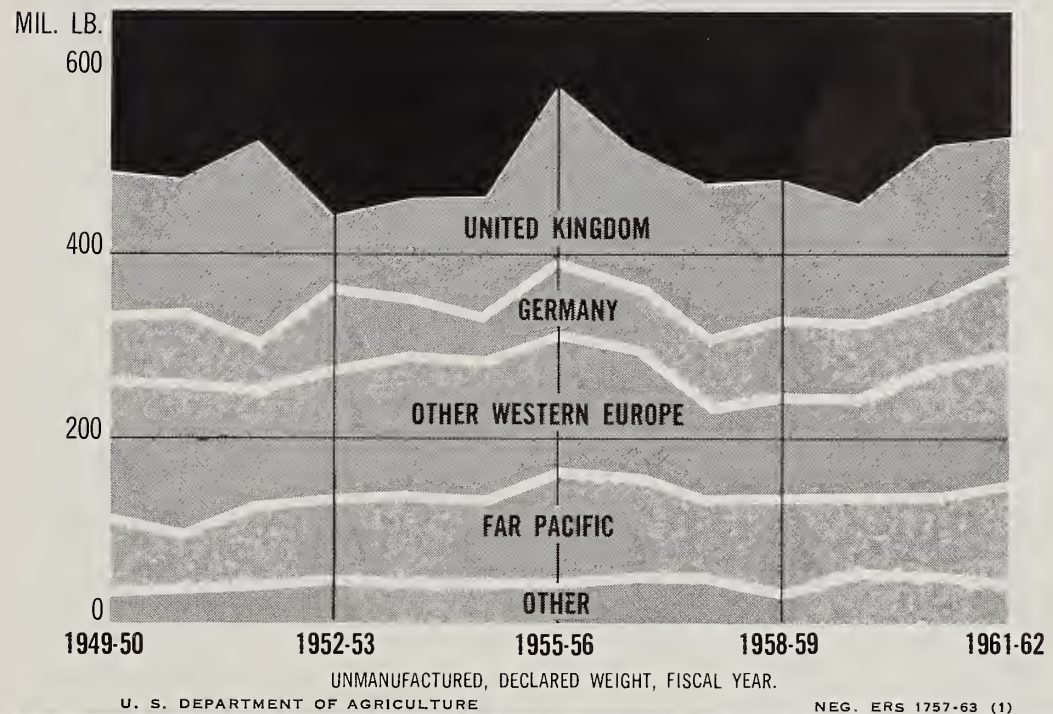
When complete returns are in, soybean exports will probably hit a new record—160 million bushels.

Rice exports were up 23 per cent, fruits and vegetables, 9 per cent. But the lower quality of U.S. tobacco offered in world markets was the big reason U.S. tobacco exports declined in 1962.

Although sales dropped somewhat, Japan continued to be our best market for farm products. Not counting intransit shipments, Canada ranked second, the United Kingdom third.

Farm exports to the European Common Market showed little change for the year as a whole. But they declined 13 per cent during the August-November period compared with the same four months of 1961. Commodities affected by the Common Market's variable import levies, effective July 30, 1962, declined 26 per cent in the August-November period.

EXPORT MARKETS FOR U.S. TOBACCO: The United Kingdom and Germany are the leading customers for American leaf. The Netherlands and Japan followed in volume of purchases during 1961-62. We shipped a total of 520 million pounds (export weight) of tobacco abroad in fiscal 1962. However, exports in July-December 1962 were considerably smaller than a year earlier.



Decline in 1962 Tobacco Exports Due Largely to Poor Quality Crop

After reaching 520 million pounds (export weight) during fiscal 1962, U.S. tobacco exports took a substantial drop in the final months of last year.

Considerably smaller shipments in July-December lowered export volume to about 470 million pounds for the calendar year, around 4 per cent below 1961. From 1951 to 1960, U.S. exports averaged 489 million pounds a year.

Poor quality of much of the 1962 flue-cured crop and increasing competition from foreign producers in the world market are behind the decline in exports last year.

Shipments of flue-cured tobacco, which alone usually account for over four-fifths of total exports, were off 16 per cent during July-December from the same months

in 1961. Exports of flue-cured are normally heaviest during most of this period.

On the receiving end of our shipments—the United Kingdom is the largest single market for U.S. tobacco.

However, all tobacco shipped to the U.K. was down a tenth from fiscal 1961 to fiscal 1962 and dropped a third during calendar 1962. Normally, well over nine-tenths of the tobacco we sell to the British is flue-cured.

Second-place receiver for fiscal 1962 was West Germany. Although German firms bought about a fourth more tobacco than in the previous fiscal year, purchases during calendar 1962 were up only a little from 1961.

By volume of shipments, the Netherlands and Japan followed in third and fourth places during the last fiscal year. Both countries ranked the same during calendar 1962.

A condensation of the 1963 World Agricultural Situation appeared in the January issue. The following summaries of regional supplements give more detailed information on farm production and trade for the Western Hemisphere, Western Europe, Eastern Europe (including the Soviet Union), Africa-Middle East and the Far East (including Red China).

WEATHER HINDERS LATIN AMERICA

*U.S. and Canada offset slight decline
in South America for Hemisphere production gain*

Total farm output in 1962 was up sharply in Canada. In the United States it was about the same as the previous two years. Figures for many crops in Latin America, where harvests run from November to May, are not yet in. But it looks like production there will be down somewhat.

Canada's higher output will more than balance the decline south of the Rio Grande, and total production for the Western Hemisphere for 1962-63 will be slightly above a year earlier.

Here's the box score on Hemi-

sphere production outlook by major commodities:

Up from 1961-62		
wheat	poultry & eggs	
coarse grains	pulses &	
rice	root crops	
oilseeds, edible	milk	
meat & products	cocoa beans	
cotton	tobacco	
Down from 1961-62		
coffee	Little change	
wool	fruits	
	vegetables	
	sugar	

Last summer's drought in Mexico brought a sharp drop in

total crop output. Hurricane Hattie, sweeping across British Honduras, destroyed so much seed corn that only half the 1961 acreage could be planted in 1962. Costa Rican exports of bananas were below normal because windstorms ravaged trees in the Pacific zone. Panama, too, lost many banana trees to gales.

Drought conditions cut coffee and wheat production throughout South America. Critical food shortages in northeastern Brazil required emergency shipments of food from the country's other food producing areas. Bolivia's high-plain farmers, plagued both by drought inflicted feed shortages and hoof-and-mouth disease, lost some 10 per cent of their cattle and sheep.

On the plus side, Mexico will show a moderate increase in 1962-63 output of such cash export crops as wheat, sugar, cotton, meat and coffee. Central America should show a slight increase in overall production.

Venezuela's farm production is expected to increase significantly above 1961-62 when heavy rains coming in the wake of a planting season drought greatly reduced outputs of corn, potatoes and beans. Total production should also be up for 1962-63 in Peru, Ecuador, Chile, Argentina and Uruguay.

Until this year's setback, Latin America had raised farm output steadily since World War II. The index of total agricultural production, 73 before the war, had climbed to 130 by 1960-61 and is estimated at 129 for 1962-63 (1952/53—1954/55=100).

The 1962-63 outlook is for a slight drop in total production which includes such nonfood items as tobacco and cotton. Food production itself will stay at around last year's level. But with the rapid increase in population, there will be a considerable cut-back in the amount of food available per person.

General economic conditions of

MOST OF WESTERN HEMISPHERE SHOWS FIVE-YEAR PRODUCTION GAIN 1952/53—1954/55=100

Country	1957-58 ¹	1960-61 ²	1961-62 ³	1962-63 ⁴
CANADA ¹	91	105	86	114
UNITED STATES ¹	102	114	115	115
LATIN AMERICA				
Argentina	112	98	106	
Bolivia	101	127	138	
Brazil	119	141	150	
Chile	118	122	118	
Colombia	112	126	124	
Costa Rica	107	132	133	
Cuba	121	135	103	
Dominican Rep.	127	138	142	
Ecuador	137	175	175	
El Salvador	128	135	162	
Guatemala	120	138	149	
Haiti	100	101	114	
Honduras	123	126	143	
Mexico	135	150	157	⁵ 156
Nicaragua	128	132	165	
Panama	111	117	120	
Paraguay	105	100	102	
Peru	97	111	117	
Uruguay	98	96	94	
Venezuela	117	145	143	
Jamaica ⁶	97	116	115	
Trinidad & Tobago ⁶	109	133	114	
Total Latin America	117	126	130	129

¹ Canada and continental U.S. production are for first year shown in each column.

² Revised. ³ Preliminary for Latin America. ⁴ Preliminary U.S. and Canada; forecast Latin America. ⁵ In Latin America details available only for Mexico due to incomplete harvests. ⁶ Not included in Latin American total.

Colombian Land Reform

One hundred small farmers have become the first of their countrymen to receive property titles under Colombia's Agrarian Reform Law passed in 1961.

Recipients were all from the country around the village of Cunday, some 80 air miles southwest of Bogota. Each family received 33 acres of land. Mortgages are repayable over a 15-year period at 4 per cent interest, with no payments required the first two years. The land formerly belonged to relatively large, inefficient estates.

In addition to land, each farmer received a loan of 10,000 pesos (approximately \$1,125) and one milk cow. The cow and loan were supplied on low interest terms by the Agricultural Bank.

many Latin American countries weakened in 1962. For Latin America as a whole, the per capita growth in GNP is running at about 1 per cent a year compared with the Alliance for Progress goal of 2.5 per cent.

Money problems are growing. Currencies are weaker in Brazil, Chile, Argentina, Colombia and Uruguay. Guatemala introduced exchange controls last October. Venezuela got an agreement from the International Monetary Fund to continue its multiple rate structure until mid-1963.

Some countries have been hurt by a significant decline in world prices of their nonfood agricultural exports. However, export prices of food products strengthened somewhat during the year. On balance, when the books are closed, the value of Latin America's exports for 1962 should show gains over 1961.

The cost of living continues to rise in Mexico, Central America, the Caribbean islands, Ecuador, Argentina, Brazil, Chile, Peru and Uruguay. But except for Cuba, these countries are in better economic shape this year than most of Latin America.

Sharp Rise in Farm Output and Bigger Export Demand Help to Ease Canada's Foreign Exchange Difficulties

Weather was money in the Canadian bank in 1962.

A good growing season enabled farmers to set a production record that has been topped only once since World War II. Output levels of wheat, feed grains, forage, pork, milk and eggs were all above 1961, a drought year. Prices were generally good, and export demand better than in the three previous years.

As a result, agriculture did much to offset weaknesses in other sectors of the economy and ease Canada's foreign exchange difficulties. Now it looks like Canada, thanks largely to agriculture, made greater gains in economic growth in 1962 than it has since the mid-1950s.

Farmers will share in this economic upturn. Farm cash income in 1962-63 is expected to exceed 1961-62, a record high year.

Higher production and prices, of course, accounted for part of the rise in farm income. Large agricultural exports and strong local and foreign demand for feeder cattle also contributed.

Government payments to farmers and the devaluation of the Canadian dollar were other factors.

But production was the big story in Canadian agriculture last year. The wheat crop of 551.4 million bushels was the seventh largest on record. Yields averaged 20.5 bushels per acre compared with only 11.2 bushels in 1961. Production of all bread grains nearly doubled the 1961 harvest.

The feed grain situation improved in 1962. With more acreage planted, the corn crop of 30.2 million bushels was a new Canadian record. The output of oats, 484.4 million bushels, was the fifth highest ever recorded.

The drought that hit western Canada in 1961 cut feed supplies and forced more marketings of cattle. In 1962 beef production fell off somewhat but should rise in the first half of 1963. Mutton and lamb production in 1962 was also below a year earlier.

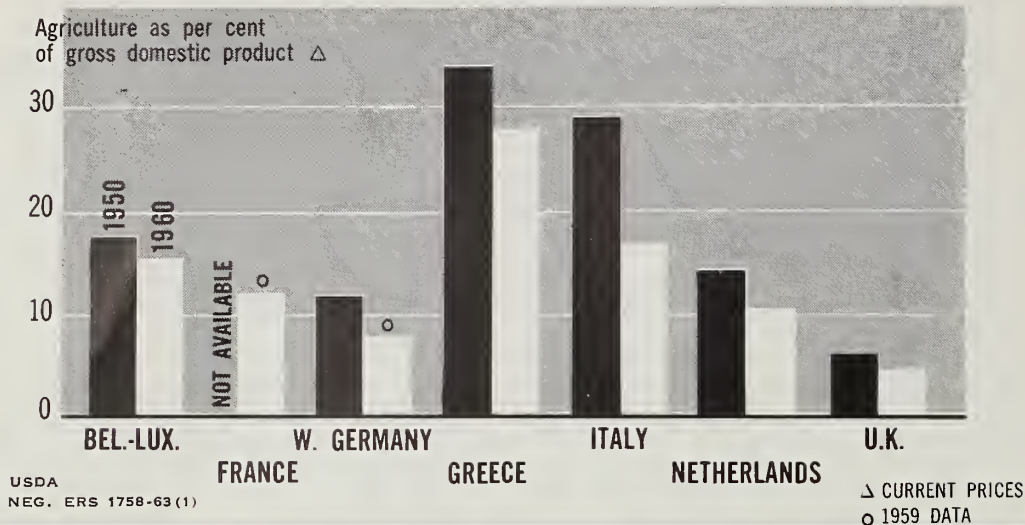
Milk production in 1962 is estimated at 19.4 billion pounds, a new record.

FOUR COMMODITIES INDICATE SCOPE OF WESTERN HEMISPHERE FARM TRADE

WHO EXPORTED . . .	1961	1962 ¹	WHO IMPORTED . . .	1961	1962 ¹
	1,000 TONS			1,000 TONS	
WHEAT ²			WHEAT ²		
U.S.	21,552	18,001	Brazil	2,125	2,646
Canada	10,957	10,141	Colombia	192	187
Argentina	2,594	1,653	Peru	471	496
COTTON ³			Venezuela	370	347
U.S.	1,646	1,213	Gen. America	251	265
Brazil	166	204			
Peru	115	138	COTTON ³		
Mexico	387	358	Chile	29	28
Gen. America	87	138	Cuba	13	11
SUGAR			Canada	71	99
Brazil	821	557			
Peru	661	628	SUGAR		
Mexico	733	562	U.S.	4,226	4,630
Cuba	7,070	6,063	Canada	761	772
Dominican Rep.	875	1,025	Chile	193	198
Gen. America	128	143	Uruguay	57	66
Other Caribbean	1,224	1,323			
COFFEE, green			COFFEE, green		
Brazil	1,122	1,124	U.S.	1,485	1,576
Colombia	374	430	Canada	74	77
Gen. America	269	303			

¹ Forecast. ²Includes flour in wheat equivalent. ³ Year ending July.

**THE COMMON MARKET, PLUS THE UNITED KINGDOM,
HAS RAISED TOTAL OUTPUT FASTER THAN FARM OUTPUT**



WESTERN EUROPE UPS OUTPUT

*Good growing year rather than early impact
of new farm policy sparks production*

Despite poor weather in some countries, Western Europe should set a new high in farm production in 1962-63, surpassing its record year 1960-61.

The index of net agricultural production, forecast at 121, is up 4 points from a year earlier (1952/53—1954/55=100).

Biggest increases in output were in West Germany, France, the United Kingdom and Austria. Smaller gains were reported in Spain, Portugal and Norway. But production dropped considerably in Italy and Greece, hit by drought, and in Sweden, where harvests were delayed by rain and cold weather.

Western Europe had a bumper wheat crop last summer, and feed grain tonnage was higher than in 1961.

The European Common Market will probably need less imported grain this year because of higher production. So far the Market's common agricultural policy has had little if any effect on markets for imported grain.

However, whether the Market's common price for grains, now being negotiated, is set at a relatively high or a relatively low level will be the biggest single factor in shaping the future agricultural production, food consumption and trade of members.

Grain is the community's most important crop, covering 45 per cent of tilled acreage. It is largely used as feed for livestock which, with products, makes up nearly 70 per cent of the total value of the Market's farm production.

At present, France has the lowest prices, West Germany, the highest. Those of other Market members—Italy, the Netherlands, and Belgium-Luxembourg—fall between.

A common grain price nearer the West German level will undoubtedly stimulate domestic production of feed grains and reduce import needs. But it will also mean higher prices for livestock products which, it is feared, will hamper further increases in consumer purchases of meat.

Non-Market Nations Make News In Moves to Aid Total Economy

Only six of the 18 countries in Western Europe are members of the European Common Market, with Greece the only associate member so far.

What's going on in agriculture in non-Market countries? Here are a few highlights:

—Austrian farmers have been getting together to swap farm plots. This way they can consolidate holdings that were once scattered around the countryside. Almost 316,000 acres have changed hands since 1957.

—Finland lost 11 per cent of its arable land in the 1944 armistice with the Soviet Union. Yet the country has put so much new land under cultivation that it now has 6.6 million acres, more than prewar.

—Ireland's program for economic development stresses industry, downgrades agriculture. Farming now provides less than one-fourth of the GNP. The farm labor force is 6,000 less this year than last, continuing the rate of decline of the last five years.

—In Norway, vegetable and fruit production was above normal in 1962. Imports of apples and pears will be somewhat delayed this year while the domestic crop is marketed.

—Swiss farm prices are the highest in Europe. Producer prices are fixed on such major items as butter and cheese. In line with its traditional policy of neutrality, the government seeks to make Switzerland as self-sufficient as possible in food production.

—Portugal, with its population increasing about 1.5 per cent a year and farm output up less than 1 per cent a year, has increased farm imports steadily since 1957. After three poor crop years in a row, however, 1962-63 looks like an excellent year for Portuguese agriculture.

Bad Weather Undercuts Production Of Most Soviet Farm Commodities

"This year, as you all know, was a very difficult one for agriculture."

In these few terse words Khrushchev summed up the 1962 farm situation in the Soviet Union for the Central Committee of the Communist Party.

Unlike 1961 and earlier years, when human frailty got the most blame for agriculture's poor showing, this time Khrushchev also blamed the weather.

He cited very hot weather in the grain growing regions of Siberia and Kazakhstan, very wet weather in Belorussia and the Baltic states, drought in the southern Ukraine.

The potato crop was hardest hit. According to official Soviet figures, 1962 output was down 20 per cent from 1961. Urban consumers will probably feel the pinch. But the impact will also be felt by farmers, who feed potatoes to livestock and are already short of other feeds.

The 1962 cotton crop of 4.7 million tons, unginned cotton, was 900,000 tons less than planned and even smaller than 1958—the base year of the current Seven Year Plan—despite 500,000 more acres planted to cotton since 1958.

But grain is perhaps the best indicator of Soviet production problems. Official reports showing increases in output for 1962 don't jibe with an admittedly poor growing season.

Kazakhstan, for instance, met less than 60 per cent of its grain quota. At the midway point in the USSR's current Seven Year Plan, Tselinny Kray, Kazakhstan's main grain producing area, is more than 16.5 million tons behind in meeting government procurement goals.

Although slightly higher than actual output in 1961, Soviet meat and milk production also fell short of 1962 goals.

SHORT OF LAST YEAR'S GOALS, USSR PLANS HIGHER 1963 OUTPUT

Commodity	1961 actual	1962 plan	1962 actual	1963 plan
	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Grain	152.1	180.6	162.6	189.6
Cotton (raw)	5.0	5.6	4.7	5.8
Meat (carcass wt.)	9.6	14.2	10.3	15.4
Milk	69.0	93.9	70.9	101.4

Figures come from official Soviet sources. USDA estimates of actual production are considerably lower.

Eastern Europe Has Poor Year As Rains and Drought Take Toll

Too wet. Too dry.

Khrushchev's complaint against the Russian weather echoed across the Bloc countries of Eastern Europe.

Cold wet weather delayed spring field work everywhere in 1962, carrying over into summer in Poland and East Germany. But summer brought grain damaging droughts along the Danube from Hungary to Rumania.

Except for Bulgaria, where output was about the same as 1961, also a drought year, total agricultural production dropped in all seven of the Russian satellites. Yugoslav production was also below 1961.

Poland—Less collectivized than farming in the rest of Eastern Europe, Polish agriculture suffered a setback in 1962 only in comparison with 1961, a year of record harvests. Production was well above the 1955-60 average.

From the 1961 high, output of the four major grains in 1962 fell about 10 per cent; potatoes 30 per cent; sugarbeets, 17 per cent.

East Germany—After a catastrophic year in 1961 for most

grains and field crops, East German farmers managed to raise output somewhat in 1962 even though the summer was the coldest in a half century. But a decline in production of livestock products counterbalanced the crop gain, and total agricultural output was down a fraction.

Czechoslovakia—USDA estimates that Czech grain production in 1962 was worse even than the relatively poor year of 1961. The potato and sugarbeet crops also declined. As a result, the situation in livestock feed is now reported to be desperate.

Hungary—Agriculture has almost stagnated in the last five years despite fairly large capital inputs. In 1962 production of grains, which take up two-thirds of planted acres, fell for the third straight year to about the 1955-57 average.

Rumania—Farmers made almost no progress again last year toward the 70 to 80 per cent increase in agricultural output planned by 1965. Net farm production was 4 to 5 per cent below 1961. With feed stocks apparently low, stepped up slaughter of livestock, especially hogs, can be expected in 1963.

Bulgaria—Sofia failed to get planned increases in 1962 in grain and feed crops. Irrigated land, about 17 per cent of sown acreage, did produce pretty good crops. But drought played havoc, for instance, with non-irrigated corn; total production of corn was no higher than in drought year 1961.

Albania—Despite poor weather, 1962 crop production reportedly was better than in 1961, farming's worst year since World War II. Albanian officials aren't saying much about livestock production, which suggests little improvement.

Yugoslavia—Net farm output in 1962 fell for the third straight year. The Yugoslav press says that the hay crop should be 15 per cent below the year before, and 25 per cent below 1960.

AFRICA RECOUPS 1961 LOSSES

*Northern countries set new output record;
incomplete southern harvests look good*

Rebounding from a poor production year in 1961-62, Africa stepped up farm output by 7 per cent in 1962-63. Better growing weather was one reason. More land under cultivation was another.

Per capita production bounced back too, with a 4 per cent increase over 1961-62. But with populations growing fast this was not enough to give people as much food and fiber per person as they had in 1960-61.

North Africa set a new production record in 1962-63, 21 per cent above the 1952/53-1954/55 base period. Yet largely because population is mounting by 2.5 to 3 per cent a year, per capita output failed to match that of the base period.

Output in Libya and the Sudan was down from 1961-62 but remained well above the 1952-54 level. Most other countries showed some gain over last year. But the gap between farm output and population growth widened in Morocco, Algeria and Tunisia.

The North African tier, which runs from Morocco east and south through Ethiopia, showed greatest gains in production of wheat, rice, barley, cotton and tobacco.

Aggregate output of grains was 37 per cent above 1961-62, a poor year, but only 4 per cent above 1960-61, a more normal year.

Rice production in 1962-63 was more than twice that of the 1952-54 base period; cotton was up 42 per cent, coffee 83 per cent and citrus 45 per cent.

Political unrest is no longer much of a factor in depressing agriculture in North Africa. However, the region is still hampered by limited natural resources, not enough capital, and to some degree by inadequate foreign markets

and falling prices for its major farm exports.

In Southern Africa, which includes 45 countries south of the Sahara, harvests come later and crop year results by country are not yet in.

However, it looks like total production in Southern Africa will run about 3 per cent above 1961-62. Per capita output will probably be only about 1 per cent higher.

As in past years, the Republic of South Africa and Nigeria will likely be the region's top agricultural producers.

Next biggest producers in 1961-62 in order of rank were:

Uganda
Tanganyika
Fed. of Rhodesia &
Nyasaland
Malagasy Republic
Ghana
Congo (Leopoldville)
Kenya
Angola

The Republic of South Africa is expecting a near record corn crop in 1962-63. With modern technology and hybrid seeds, South Africa in 10 years has switched from an importer of corn to the world's third largest exporter.

Other success stories apparently in the making this year:

- Nigeria's peanut crop is expected to topple the previous record set in 1957-58.

- Uganda anticipates a much better cotton crop than in 1961, a very poor year, but below the record output of 1937-38.

- Angola, Portugal's largest overseas province and Africa's largest coffee producer, has tripled its coffee production in the last decade. The upward spiral should continue this year.

- U.S. farm trade with the southern part of Africa should equal the alltime high set last year.

Five New Nations Rely on Farm Exports for Big Part of Income

Ships moving out of African ports in 1962 carried the farm exports of five new nations—Tanganyika, Uganda, Burundi and Rwanda, all East African neighbors, and Algeria on the continent's northern rim. Tanganyika became independent in December 1961, the other four last year.

Each of these new nations has a predominately agricultural economy, dependent on farm exports for much of its national income. Each also has special trade privileges in its former mother country—France, Belgium or the United Kingdom.

However, except for Algeria and Uganda, the outlook for increased U.S. farm exports to these markets is pretty good, according to ERS trade specialists.

Tanganyika—After the United Kingdom, the United States is Tanganyika's best customer for farm exports. In 1961 the U. S. took \$13.4 million out of total exports of \$136 million. We buy nearly half the country's coffee exports. In addition, we also buy moderate quantities of sisal fiber from Tanganyika, the world's largest producer. Most of its cashew nuts are sent first to India for shelling and grading, then shipped to the United States.

Tanganyika's imports from the United States climbed from \$2.9 million in 1960 to \$4.8 million in 1961, but most of the increase was corn shipped under P.L. 480 for drought, flood and famine relief.

Tanganyika has relaxed some import licensing restrictions. Production of cotton, coffee and other cash crops is increasing. The wage earning population is gradually growing. So with trade somewhat easier and income somewhat higher, markets for some U.S. farm products should grow in the next few years.

Uganda—Tripled production of coffee in the last decade now makes Uganda the world's sixth largest coffee producer. Robusta coffee and cotton account for about two-thirds of Uganda's export earnings.

The U.S. buys more than a third of the country's coffee exports by value. Most of Uganda's needed food imports—including wheat and flour, dairy products and meat—come from Kenya and Tanganyika in exchange for sugar, oilseeds and their byproducts, corn, tobacco and cotton textiles. Uganda takes few of our farm products and little expansion in this market is likely.

Burundi—The kingdom of Burundi, formerly the southern part of Ruanda-Urundi, sells most of its high-quality Arabica coffee to the United States. Most of its farmland is already under cultivation, and in bad crop years famine threatens unless food is imported. Prospects are that U.S. food exports to this country will increase.

Rwanda—This mountainous republic depends on the United States to buy most of its coffee, the chief export crop.

Recent U.S. aid shipments have been used to feed refugees from tribal warfare. While the outlook for U.S. food exports to Rwanda is fair, they may have to be financed under P.L. 480.

Algeria—With population growing fast and the economy disrupted by political unrest, Algeria has been having more trouble meeting its food needs. In drought years it imports large quantities of grain.

Most of the new nation's trade is with France and other West European countries.

U.S. exports to Algeria in 1961 were much bigger than the year before because we shipped wheat to meet emergency conditions.

Any increase in the market for U.S. farm products may rest largely with food aid programs.

SYRIA AND IRAQ LEAD MIDDLE EAST'S PER CAPITA GAIN

After several years of poor crops due to drought, part of the Middle East got more rain in 1962. As a result, the region's total agricultural production showed a modest gain over 1961.

Measured by the more important index of the food and fiber produced per person, output recovered to a level 1 per cent above the 1952-54 reference level.

Compared with the 1961-62 index levels, per capita output for the 1962-63 season was up in Iraq, Lebanon and Syria but down in Cyprus, Iran, Israel and Jordan. In Turkey per capita production held steady at the 1961-62 level.

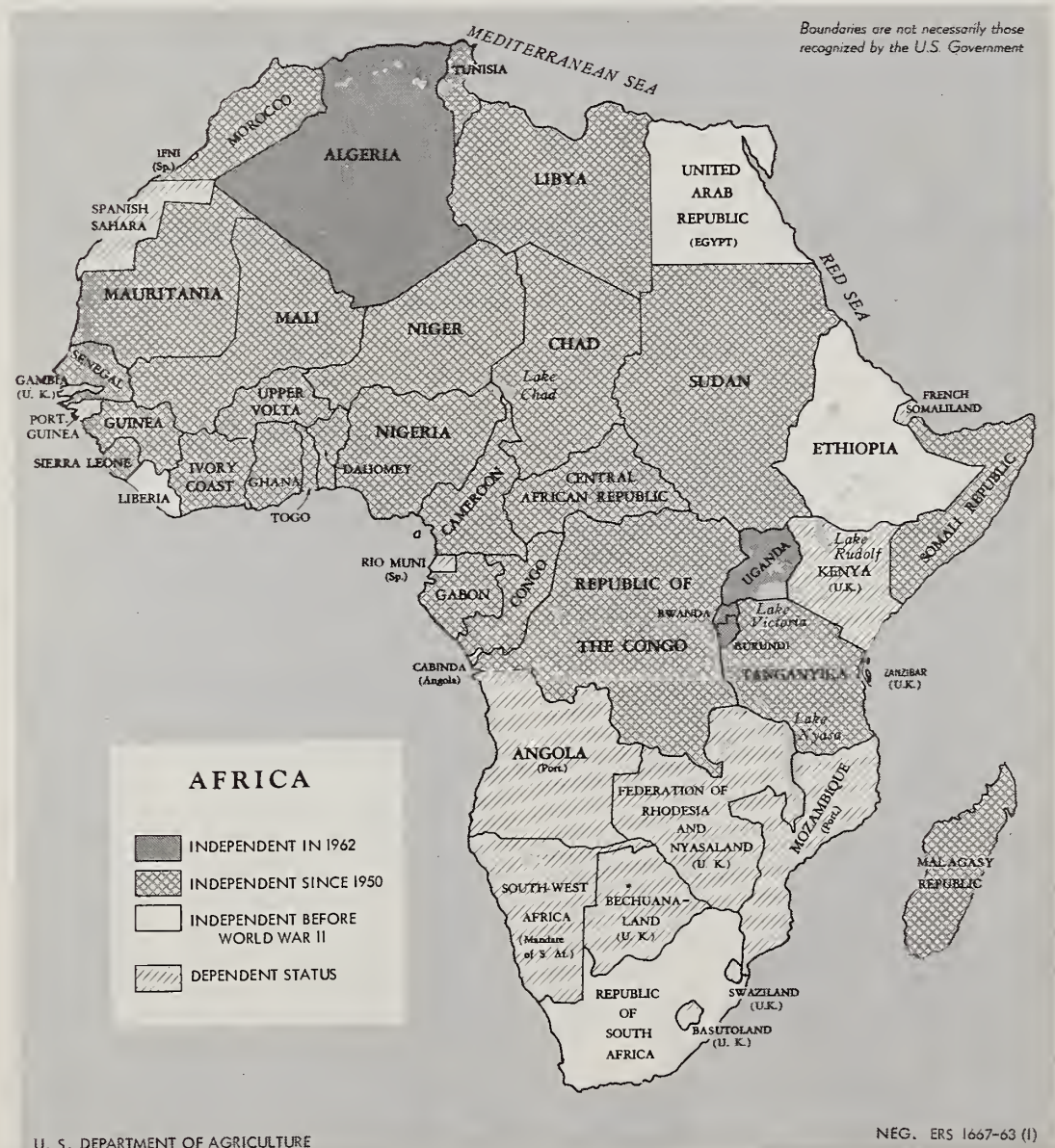
Neither Turkey, which normally accounts for half the Middle

East's farm output, nor Iran, which usually produces 20 per cent, got the full benefit of the drought relieving rainfall.

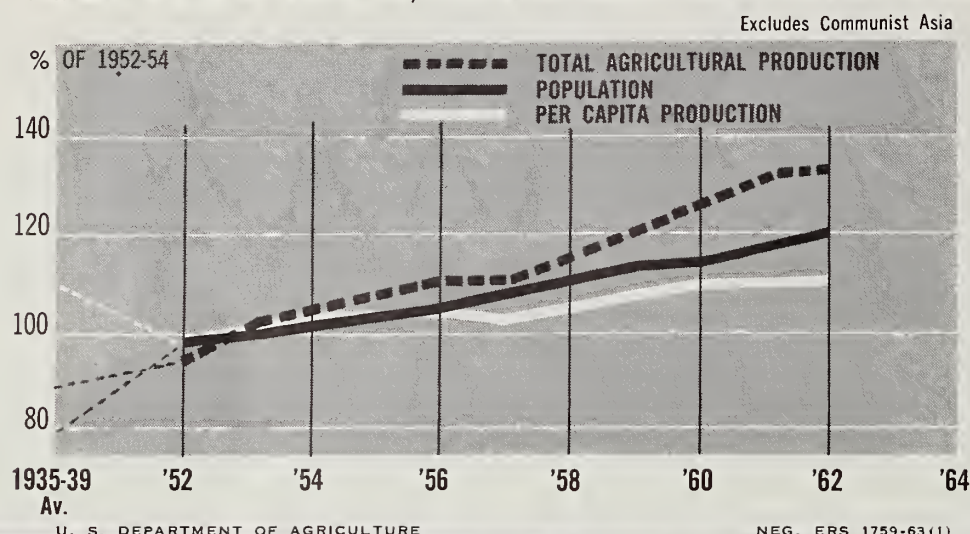
But Syria, which did, reaped a wheat harvest three times that of 1961-62. The barley crop was up 300 per cent. Iraq's wheat production was up 20 per cent, barley, 25 per cent.

Higher production in Syria and Iraq offset crop losses in some other countries to give the Middle East an overall production gain.

U.S. farm exports to the Middle East this year should run about \$243 million, the same as 1961-62. As in past years, about 70 per cent of these exports will probably go to Turkey and Israel.



FAR EAST UPS TOTAL PRODUCTION; POPULATION GROWTH PREVENTS PER CAPITA GAIN



FAIR YEAR FOR THE FAR EAST

Production dropped only in Pakistan, Thailand, the Philippines and South Korea

The free Far East had a so-so year in 1962. Weather was normal most places, and the region raised farm output 1.5 per cent above 1961. With more people to feed and clothe every day, however, the Far East hasn't been able to step up per capita output for three years running.

The year saw increases of more than 3 per cent in production of wheat, sugar, cotton, tobacco and tea. Livestock products, especially in Japan, showed even greater gains. But production of pulses, mainly chickpeas and pigeon peas in India, was the lowest since 1958, while copra, jute, kenaf and coffee also showed marked reductions.

Led by Indonesia, most countries produced more paddy rice than in 1961. As for rubber, Indonesia showed no increase, but Malaya upped output by about 3 per cent. Together these two countries produce two-thirds of the world rubber total.

Here are the changes in agricultural production by country

compared with 1961:

Decrease	Increase	No Change
Pakistan	Afghanistan	India
Philippines	Burma	Laos
S. Korea	Cambodia	Singapore
Thailand	Ceylon	
	Indonesia	
	Japan	
	Malaya	
	S. Vietnam	
	Taiwan	

Japan, which produces one-eighth of the regional total, accounts for nearly half of the increase over 1961.

Biggest decrease was in South Korea where rice and summer grains were damaged by drought. Despite these setbacks, total production was second only to 1961.

Communist Asia is not included in Far East production totals. Information filtering through the Bamboo Curtain is too scanty.

Figures for Oceania, not included in Far East totals, show slightly higher agricultural production in 1962 for both Australia and New Zealand. But production per person was down a bit in New Zealand.

Japan Tries to Put the Brakes on Its Fast Paced Economic Programs

Most countries worry about how to increase their rate of economic growth. Not so Japan.

From 1958 to 1961, Japan's economy expanded at the average rate of 12.5 per cent, making it the fastest growing economy in the world.

But this phenomenal growth rate put strong pressures on Japan's foreign exchange reserves.

To relieve these pressures, Tokyo late in 1961 took action to slow economic growth to 6 or 7 per cent a year. The government adopted a tight money policy and attempted to hold down imports while expanding exports.

By the end of last year Japan had its foreign exchange problems pretty much under control.

Meantime, Japan's fiscal belt-tightening has had little effect on purchases of consumer goods and food.

Although retail prices are edging up, automobiles, washing machines and television sets are selling fast.

Consumer demand for more fruits, vegetables, meat, milk and eggs has caused a shift in farm land use patterns. Farmers are growing less barley, for example, in order to produce more of these high quality foods.

As a result, production of fruits and livestock products increased substantially in 1962.

Production of feed, however, hasn't kept up with the expansion in the livestock industry. Feed imports will have to increase

Imports of U.S. corn and wheat were up sharply in the first six months of 1962 compared with the same period in 1961. But soybean purchases from Red China cut back U.S. sales somewhat.

Tokyo hopes to double national income in the 1960s, and imports are expected to mount at the rate of 9.3 per cent a year.

Food Supplies for Over Two Weeks Available in Nation's Retail Stores

About 8 out of 10 Americans have at least a week's supply of emergency reserve rations at home. Two out of the 8 have more than a month's reserve of food.

A ration of 2,000 calories and 32 ounces of liquid per person was specified by the Office of Civil Defense for personal daily needs during short term emergency situations.

The calorie count of fluids is figured in with the food estimate. They include such substitutes for water as milk, soft drinks, non-concentrated fruit juices, beer and wine.

As an immediate back-up to the food reserves on hand, retailers have an additional 15.5 days' supply of food for each person in the continental United States.

These figures are from a 1962 Economic Research Service study made for O.C.D.

At least 80 per cent of retail food stocks are of the easily stored kind: canned, bottled, dried and packaged products. The rest is largely fresh: meat, dairy products, fruits and vegetables. A fractional amount is frozen food.

In addition to the supplies at home and in retail stores, wholesalers are estimated to have about 15 days' supply of all kinds of food on hand.

A 15-day supply of food for 15 million people at an emergency diet level is in the hands of local school lunch and food distribution people. An even bigger supply is under contract for these programs, including: 115 million pounds of cheese, 590 million pounds of powdered milk and 32 million pounds of canned chopped meat.

And there are more supplies on farms, in mills and in storage.

Naturally, if we had to, we could tighten our belts a notch and make our food supplies last longer.

STUDIES INDICATE FOOD STAMPS HELP SELL FRUIT AND JUICE

The federal food stamp program has added more fruit and juices to the diets of needy families, according to recent household surveys in Detroit and rural portions of Fayette County, Penn.

Families using food stamps increased their consumption of fruit and fruit juices by 44 per cent in Detroit, and 21 per cent in Fayette County after the stamp plan was put into effect.

The increase occurred primarily in seasonal fruits other than citrus and in canned juices.

The needy families in Detroit also bought more canned and dried fruit and frozen concentrated juices with the help of food coupons though purchases fell off in Fayette County.

Both areas were surveyed twice, in the spring and fall of 1961, just before and after the plan was put into effect on a pilot basis.

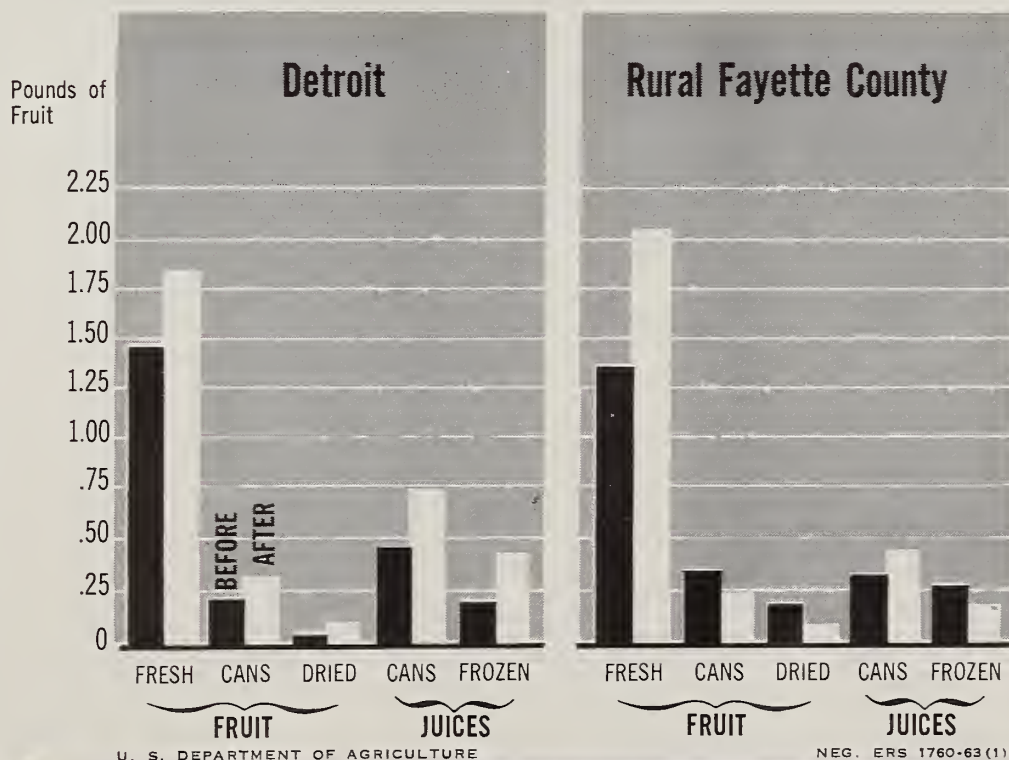
The surveys revealed that oranges and grapefruits declined seasonally while lemon usage increased.

The fall survey showed that citrus fruit accounted for only 24 per cent of fresh fruit eaten by Detroit families under the program. This proportion was down from 47 per cent during the pre-program period.

While the average per capita consumption of fresh citrus fruit declined, food stamp families in Detroit bought more citrus and other canned juices.

In Fayette County non-citrus juices were the favorite during the fall period. Families in this area also had access to more locally grown fruit in season than the Detroit families. These households also showed less inclination to use canned and dried fruits in the fall than they did in the spring.

FOOD COUPONS AND FRUIT: The food stamp program increased per capita fruit and juice consumption in two study areas, according to figures taken before and after the program began in 1961.



National Prices for Eggs and Fryers Are a Help to the Shopper's Budget

The American housewife has reason to bless poultry and egg producers.

In 1962 fryers cost her a little less than 41 cents a pound on the average—19 cents less than 10 years earlier.

The retail price of eggs should have been equally cheering. The average price for a dozen eggs was less than 52 cents last year, about 12 cents less than they cost in 1952.

The retail prices are based on figures collected by the Bureau of Labor Statistics in cities throughout the country.

With the exception of 1961, when broilers and fryers averaged nearly 39 cents a pound, last year's prices were the lowest in the past 10 years.

The 1962 price of eggs, 3 cents

lower than 1961, was also the second lowest level of the decade. In 1959 a dozen eggs cost about a cent less—50.8 cents a dozen.

The housewife paid less for eggs last year than in 1961, mostly because the supply was bigger. There were more hens on farms in 1962, and the hens laid more eggs.

But despite the attractive price and greater supply, Americans ate fewer eggs last year than they have in the past 20 years. Consumption was 324 eggs per person. The figure was, however, only slightly less than the year before.

The higher prices for broilers and fryers occurred even though supplies were up from the previous year.

But while the housewife and her family enjoyed low-cost eggs and chicken, the farmer had less reason to be pleased. The farm value of a dozen eggs was about 34.5 cents last year. In 1952 it was a shade over 43 cents.

BARGAINS FOR BUYERS: Retail prices for frying chickens and eggs have dropped almost steadily for the past 10 years, according to figures collected in cities throughout the country. Farm values have gone down, too.

Year	Eggs			Fryers (ready-to-cook)		
	Retail price per dozen ¹	Farm value	Farm share of retail	Retail price per pound ¹	Farm value	Farm share of retail
	Cents	Cents	Per cent	Cents	Cents	Per cent
1952	63.6	43.2	68	60.0	39.7	66
1953	66.8	49.0	73	58.5	37.0	63
1954	56.2	37.5	67	52.8	31.6	60
1955	58.1	40.1	69	54.8	34.6	63
1956	57.7	39.8	69	47.8	26.9	56
1957	54.9	36.6	67	46.7	25.9	55
1958	57.9	39.5	68	46.1	25.4	55
1959	50.8	32.1	63	42.0	22.0	52
1960	54.9	37.3	68	42.7	23.1	54
1961	54.9	36.5	66	38.5	19.3	50
1962 ²	51.8	34.4	66	40.7	20.8	51

¹ Average retail prices in urban communities. ² Preliminary.

Eatin' Income

Think the family food bill is high? Consider what families in the Far East face.

—People in India, an emerging country, earn on the average \$63 a year. They spend three-fifths of their income on food—mostly starchy foods at that. Yet their diets are short by about 300 calories a day.

—The Japanese, despite a fast-growing industrial economy, get just enough calories by spending two-fifths of their \$258 average income a year on food.

—In the United States, we average \$2,069 in personal income a year. We spend only 19 per cent on food per person. And this 19 per cent buys high quality foods.

Radiation Process May Prolong Life Of Fruits and Vegetables in Future

In a few years the fruits and vegetables you buy may have had an X-ray type of treatment.

The reason—radiation slows down or destroys the bacteria that spoil as much as a fourth of some fresh fruits and vegetables.

Scientists doing research in food processing found that controlled doses of radiation, when passed through food, kill or slow down bacteria. After the test treatments, the radiation-pasteurized fruits and vegetables maintained nearly the same quality, appearance, flavor and food value, and were safe for human consumption. But, they stayed fresh longer than their untreated counterparts. Even such highly perishable products as peaches and strawberries were treated without damage.

Economists in ERS are currently trying to estimate the possibilities of marketing radiation-treated fruits and vegetables. The items in the test are strawberries, peaches, tomatoes, grapes and citrus fruits.

The work is being done in cooperation with the Atomic Energy Commission.

RECENT PUBLICATIONS

Single copies of the following publications are available free from the Division of Information, OMS, U.S. Department of Agriculture, Washington 25, D.C.

FACTORS AFFECTING THE PRICE AND SUPPLY OF HOGS. Arthur A. Harlow, Economic and Statistical Analysis Division. Technical Bulletin No. 1274.

Hog production and prices have exhibited fairly regular recurrent cycles since 1949. An explanation of these cycles is developed, using the supply and demand functions for the industry and incorporating the time lags inherent in hog production. A system of six equations is fitted statistically to measure the relative effect of various factors upon variables in the hog economy.

WHEAT—THE PROGRAM FOR 1964: AN ECONOMIC ANALYSIS. U.S. Department of Agriculture.

This economic analysis describes the 1964 program, and provides estimates of wheat prices, farm income and other factors in the event wheat growers decide, by a two-thirds "yes" vote, to put it into operation. It also provides estimates of what may be expected to happen to wheat prices, to farm income and to wheat production if more than one-third of the growers vote "no." The study was prepared by a staff of the Department of Agriculture and was reviewed by a group of agricultural economists from land grant universities in the major wheat growing areas (see p. 5, this issue).

RECENT POPULATION TRENDS IN THE UNITED STATES WITH EMPHASIS ON RURAL AREAS. Calvin L. Beale, Economic and Statistical Analysis Division, ERS, and

Donald J. Bogue, University of Chicago. Agricultural Economic Report No. 23.

The population of the United States has recently grown by 2.9 million persons per year, passing the 187 million mark in September 1962. Unless a sharp downturn in birth rate occurs it will exceed 210 million by 1970. The movement of people has been heavy to the Pacific Southwest, the Gulf of Mexico and the Atlantic coast, and to metropolitan areas in general. There have never before been so many rural areas declining in population. Never before have there been such disparities in the age distribution of farm and nonfarm populations as there are now, nor such differences in the directions in which the distributions are changing. Because of heavy out-migration of young adults in some

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rural areas births have declined to the point that they no longer exceed deaths.

FOR-HIRE MOTOR CARRIERS HAULING EXEMPT AGRICULTURAL COMMODITIES . . . NATURE AND EXTENT OF OPERATIONS. Mildred R. DeWolfe, Marketing Economics Division. MRR No. 585.

Relatively little is known about the operations of for-hire motor carriers who are exempt from economic regulation by the Interstate Commerce Commission. This study deals with the size of the exempt motor carriers, the length of time in business, the type of commodities hauled, and the origins and destinations of the hauls. The findings of the report are based on the replies of 1,514 truck operators throughout the continental United States (see page 9, this issue). The research was divided into two parts. The first part was published as *The Role of Truck Brokers in the Movement of Exempt Agricultural Commodities* (MRR No. 525, issued February 1962).

STATISTICS ON THE EUROPEAN ECONOMIC COMMUNITY—VOL. I: AGRICULTURAL TRADE AND FINANCE. Development and Trade Analysis Division. ERS-Foreign 43.

During the past few years a widespread interest in the European Economic Community has developed within the United States. This report is a compilation of data pertaining to agricultural trade and finance of the six original Common Market members—Belgium, France, Italy, Luxembourg, the Netherlands and West Germany—the associate member, Greece, and four applicants for memberships—Denmark, Ireland, Norway and the United Kingdom. Volume II will

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contain data on acreage, yield, production and use of farm commodities. The material contained in both volumes has been taken from official sources and includes data not readily available in the United States.

RETAIL PRICE SPECIALS FOR FRYING CHICKENS IN SELECTED U. S. CITIES, 1960-61. Leo R. Gray, Marketing Economics Division. ERS-101.

Retailers have frequently used frying chickens as feature sales items at special low prices. Retail prices for fryers declined from 1960 to 1961 during both regular sales weeks and periods of special sales promotions. There was also a general decline in prices paid by retailers and in farm values

during this period. Retail prices reported by the Bureau of Labor Statistics for frying chickens in 10 cities in 1960-61 were 11 cents a pound higher than typical special sales prices featured in newspapers. This preliminary report is based on interviews with and records of private firms, newspapers and government agencies. It covers the extent and frequency of specials, and analyses some effects of price specials as related to selected elements of the marketing system.

REDI WHEAT—A NEW CANNED COOKED BULGUR—MARKET POSITION AND CONSUMER ACCEPTANCE IN WICHITA, KANSAS. Haven D. Umstott, Marketing Economics Division, ERS, and Dan S. Hollon, Standards and Research

Division, Statistical Reporting Service. Marketing Research Report No. 574.

A new process for cooking and canning debranned whole kernel wheat provides a versatile, easy-to-prepare, convenient form of cooked wheat. It was developed by USDA's Agricultural Research Service. It was market tested at Wichita, Kansas, in March—September 1961. The test product attained a favorable sales position relative to the sales for 57 well established products such as canned Spanish rice, dry rice specialties, quick-cooking rice, dry rice, wild rice, dry spaghetti and macaroni complete dinners, canned spaghetti and macaroni products, canned specialty bean products and dry bulgur.